Saskatchewan

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Agriculture Development Fund

FINAL REPORT

20000328

USING INTERNET TECHNOLOGY TO MARKET SASKATCHEWAN HERBS AND SPICES

Funded by
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REGINA, SASK.
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USING INTERNET TECHNOLOGY TO MARKET SASKATCHEWAN HERBS AND SPICES

Finial Report Project # 20000328

(A) Summary

Using Internet Technology to market Herbs and Spices was a successful project. We have created enormous interest in Saskatchewan Herbs and Spices through this venture. We have increased our sales by over 75% and the number of new buyers calling us for pricing by 175%. The cost of production is the main limiting factor to selling incredible volumes of product, with inquires for more that $2,000,000.00 in possible sales of Saskatchewan Herbs and Spices. The fact that our growers needing a higher price for their product, places us out of most of the bigger companies purchasing range. Once we streamline our production costs, Saskatchewan will be a major player as a bulk herb and spice supplier.

B) Technical Report

Project Activities

- Marketing Saskatchewan growers product by email directly to over 2000 buyers.
- Marketing Saskatchewan growers product by fax to all companies not currently on email.
- The emails and faxes contained a list of all the herbs we can supply and a list of growers product with lot #, quantity , classification and (Analytical if available)
- Calling buyers directly to follow up on email contacts.
- I speak with (on an average) 40-50 growers a week, addressing their questions, concerns and directing them to the information they are seeking..
- Adding growers information and their products to our on going Growers data base.
- I attended the Supply side East Conference in New Jersey in April .To meet with buyers face to face, to promote Saskatchewan product and to help educate myself on what buyers are looking for in a new supplier. I came away with the full realization that price seems to be the first and most important part of becoming a new supplier. If your price isn't in line with other suppliers they won't even look at you.
- National FOB pricing project.
- Pricing project for crop insurance
- Ag-west Biotech Business plan workshop for a Herb and Spice Warehouse in Saskatoon
- Traditional Healing Tea Project using Saskatchewan Herbs/spices Value adding.
- Essential Oil Project - distilling herbs that grow initially in Saskatchewan, at different stages, of the plant development, for essential oil development in Saskatchewan.
- Barley Greens Project
- Field scale Dandelion project

Presentations

In August I was asked to Grand Prairie Alberta to speak on Marketing Herbs and Spices
I have also been asked to speak in
Kamloops BC in November for the BC herb growers Association.
Winnipeg MB in February at the Western Medicinal Herb Growers Conference .

Results and Conclusions

The internet website www.lonewolfherbdir.com continues to work as an effective tool for the growers, their product and current inventory updates. We have found that 20% of new buyers looking for a supplier of product, have contacted us by first finding our web site. With half of the 20% excited to come upon the website on the internet. I believe more advertising of the site was and is necessary for expanded exposure. The remaining 80% of new buyers contacting us, seeking product, are seeing our ad in the Natural Products Guide or from the targeted emails we send out to Buyers currently on our data base. The buyers we are now emailing stretch across the world. The website can and will work as an suitable, precise tool in the continued efforts to market our Saskatchewan products. The barrier that I see that stands in the way of making this venture a huge business success in Saskatchewan, is in pricing our product. Our project activities were expanded from our initial outline, when realizing that without either value adding or lowering our production costs we would struggle to be a major player as a bulk product supplier. The companies that we are currently supplying are either smaller, new or are willing to pay more for Saskatchewan product. Our focus on Value added has directed us to some exciting upcoming ventures which I believe will give the growers a local market with fair pricing for their product. Thus allowing our Saskatchewan growers the opportunity to sell their product and experience a nice profit margin for there labor and initiative.

Problems that I see in our industry.

Volume of product and labor costs

- If we want to compete in a world market with bulk herbs and spices then our prices and quality need to compare with other suppliers through out the world.
- We will need to grow herbs/spices in larger field scale production. and streamline our accrued costs.
- The grower must either be large enough to sustain his own drying facility and afford the equipment needed or be close enough to other grower to share.

Quality and Shipping costs

- Its difficult to control the quality of the product when the growers stores the product on the farm.
- We are not dealing in enough volume of herbs/spices to operate a warehouse for storage, easy access and quality control.
- Shipping costs are a large factor in maintaining an expectable profit margin when receiving product from growers across Saskatchewan.

The Impact of the project on sales and marketing

The project has increased our sales of herb and spices from Saskatchewan by 75%
Increased the number of different buyers asking for pricing 175%

Information gained from this project.

- We can market to the world from small town Saskatchewan through E commerce and today's technology.
- We can establish a business relationships with companies all over the world.
- We can produce excellent quality herbs
- We have a relatively inexpensive land base compared to other countries thus giving us an edge over other producers.
- We have accessed and knowledge about equipment needed for field scale production.
- To take our product from field to the shelf (Value added) is where our Saskatchewan producers can benefit immensely.
- Price seems to be the most important factor limiting us in moving ahead with sales for volume production.
- The demand for many of the herbs and spices that we produce is there and buyers are more than willing to look at Saskatchewan product.

Benefits to Saskatchewan herb and spice growers

- Many of the growers are currently sold out of the herbs that they have produced this year.
- I source Saskatchewan first when I'm looking for product for buyers.
- Having first hand contact with buyers and their needs, this enables me to project what the upcoming needs in product production might be.
- The information that I have ascertained from this project is transferred over to all growers and industry personal that contact me with questions, concerns, market trends and direction to information access.

(C) **Personnel**

Project Personal Background

Jacqueline R. Duckering
#101 314 Tait Crescent
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Education 2000-2001
University Of Saskatchewan

- Second year Marketing student in the College of Commerce
- Plan to graduate in April 2003

University Of Alberta 1998-2000

- First year - Faculty of Science, completed with honors
- Second year - Commerce Pre-Professional program, completed with honors

Work Experience Vector Marketing Saskatoon SK
Sales Representative

- Making presentations to customers
- Selling product and answering questions

Student Activities Outlined below

Jackey worked out of her home, located in Saskatoon using the Internet, phone and regular mail to accomplish her job.

- Use the internet to search for possible buyers.
- Retrieved new buyers contact information and company profiles, from Web sites, printed material, reports, buyers attending conference and many other sources, adding them all to the ongoing and on-growing buyers data base.
- Contacting buyers for possible interest and sales of Saskatchewan product.
- She conducted surveys to Companies on what Herbs, Spices, Extracts and Essential oils they are currently seeking a suppliers for.
- Accumulation of our Data base of more than 2000 Buyers.
- Internet Search for Tea Companies of Traditional Remedies
- Internet search for Essential oil companies
- Internet search for Herbs/Spices used in Animal Health
- Regulations on Herbs /spices used in/on animals.
- Gathering information on different herbs we are looking at for field scale production.
- Gathered information on Microbial counts.
- Gathered information on drying and storage of the growers product.

(D) **Equipment** N/A
(E) **Project Development Materials** N/A
(F) **Project Photos** N/A

(G) **Acknowledgement**

In my company profile written for different organizations, I have acknowledged the ADF grant as part of the development of Marketing Herbs and spices with the internet .
In my conversations with growers and industry personal I often discussed how the ADF grant has helped and excelled my ability to help growers sell their herbs.